

Cobalt Coal Ltd.
Tailwind Capital Partners Inc.
Al Kroontje
900, 903 – 8th Ave SW
Calgary, Alberta T2P 0P7

September 7, 2017

G.E.M. Holdings US Corporation

3524 Silverside Road, Suite 35B

Wilmington DW, County of New Castle, 19810-4929, USA

Attn: Mr. Stephen Moscicki and/or Mr. David Winduss

And to:

McCarthy Denning LLC

49 Queen Victoria Street, London, EC4N 4SA

Attn: Ms. Pamela Henry and Mr. Richard Beresford

RE: Confirmation That The Transactions Contemplated by the Clinchco Acquisition Agreement Are Cancelled (“Formal Cancellation”).

Reference is made to the Share Purchase Agreement dated August 24, 2015 with an effective date of September 1, 2015 (the “SPA”) which was closed pursuant to the Closing Addendum dated December 7, 2015 (the “Closing Addendum”) and amended pursuant to the Second Addendum dated March 3, 2016 (the “Second Addendum”) each of which were novated and assigned to G.E.M. Holdings US Corporation pursuant to the Novation and Amending Agreement effective August 31, 2016 (the “Novation Agreement”) as further amended by the Waiver and Third Addendum to the Share Purchase Agreement dated March 29, 2017 (the

"Waiver and Third Addendum") (the Waiver and Third Addendum together with the SPA, the Closing Addendum, the Second Addendum and the Novation Agreement shall be referred to herein as the "Clinchco Acquisition Agreement")

Reference is made to the Additional Notice of Default dated July 8, 2017 (the **"Revised Payment Terms Default Notice"**) in respect of a Revised Payment Terms Default (the **"Revised Payment Terms Default"**).

Reference is made to the Written Notice dated August 24, 2017 Declaring That The Transactions Contemplated by the Clinchco Acquisition Agreement Shall Be Deemed To Be Immediately Cancelled (**"Cancellation Notice"**).

No force majeure has occurred (as that term is defined in the Waiver and Third Addendum), nor has G.E.M. Holdings US Corporation (**"GEM"**) provided a copy of a notice of force majeure.

The Revised Payment Terms Default is not subject to an Excused Payment Delay (as that term is defined in the Waiver and Third Addendum).

Written Notice has not been provided by GEM to the Seller within five (5) Clear Business Days after service of the Cancellation Notice indicating that GEM has elected to pay within a further six months the Remaining Balance (as that term is defined in the Waiver and Third Addendum).

Accordingly, Seller formally declares that the transactions contemplated by the Clinchco Acquisition Agreement are cancelled.

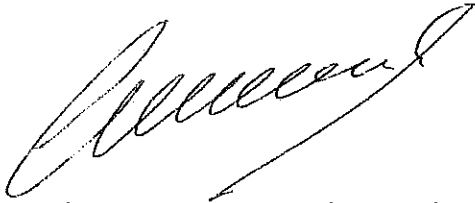
Delivery of this Notice has been affected in accordance with Article 16 of the Waiver and Third Addendum as follows:

- 1) This Notice has been delivered by e mail scan to Buyer's officers, via e mail scan; and
- 2) A copy of this Notice has been sent to Buyer's counsel, by email scan to Rberesford@Mccarthydenning.com; and
- 3) A written copy of this Notice has been send by express mail to the Buyer at the address provided for in the Waiver and Third Addendum first written above.

ADDITIONALLY: a written copy of this Notice will be hand delivered to the address for service provided for in the Waiver and Third Addendum on today's date such that the effective date of service, as provided for in the SPA, shall be September 7, 2017.

Yours truly

Cobalt Coal Ltd.

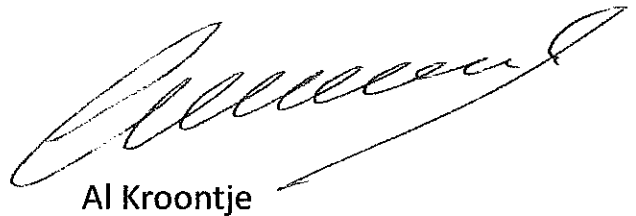
A handwritten signature in black ink, appearing to read 'Al Kroontje', written in a cursive style.

By: Al Kroontje, its Authorized Representative

Tailwind Capital Partners Inc.

A handwritten signature in black ink, appearing to read 'Al Kroontje', written in a cursive style.

By: Al Kroontje, Director

A handwritten signature in black ink, appearing to read 'Al Kroontje', written in a cursive style.

Al Kroontje